



Reprinted
February 24, 2009

SENATE BILL No. 142

DIGEST OF SB 142 (Updated February 23, 2009 4:51 pm - DI 106)

Citations Affected: IC 27-7.

Synopsis: Commercial vehicle policies. Repeals IC 27-7-5-1.5 and P.L.72-2005, SECTION 2 pertaining to commercial vehicle policies. Provides that if any named insured rejects in writing the uninsured or underinsured coverage, the rejection applies to every other named insured and insured. Specifies that, with respect to a commercial vehicle policy, an insurer is required to offer only uninsured or underinsured coverage that: (1) provides coverage for a vehicle; and (2) covers a loss that results from the operation of a motor vehicle. Provides that an insurer is not required to offer uninsured or underinsured coverage in connection with the issuance of a commercial umbrella or excess liability policy.

Effective: July 1, 2009.

Steele

January 7, 2009, read first time and referred to Committee on Rules and Legislative Procedure.

February 12, 2009, amended; reassigned to Committee on Corrections, Criminal and Civil Matters.

February 19, 2009, reported favorably — Do Pass.

February 23, 2009, read second time, amended, ordered engrossed.

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SB 142—LS 6403/DI 13+



First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

SENATE BILL No. 142

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-5-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) **As used in this section,**
3 **"commercial vehicle policy" means an insurance policy that**
4 **provides coverage for at least one (1) of the following:**

5 (1) **A motor vehicle that is rated or insured as a business or**
6 **commercial vehicle.**

7 (2) **A motor vehicle that is licensed by the state as a**
8 **commercial vehicle.**

9 (3) **A commercial motor vehicle business, including an:**

10 (A) **individual who; or**

11 (B) **entity that;**

12 **is in the business or occupation of selling, repairing, servicing,**
13 **storing, or parking motor vehicles, including a business that**
14 **is a commercial garage operation, an automobile sales entity,**
15 **a motor vehicle repair entity, a motor vehicle service station,**
16 **or a public parking operation.**

17 (4) **A motor vehicle that is used as a public or private livery or**

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1 **a rental conveyance.**

2 **(5) A motor vehicle that is owned or used by a named insured**
 3 **that is not a natural person.**

4 **(b) Except and to the extent as provided in subsections (d) and**
 5 **(e),** the insurer shall make available, in each automobile liability or
 6 motor vehicle liability policy of insurance which is delivered or issued
 7 for delivery in this state with respect to any motor vehicle registered or
 8 principally garaged in this state, insuring against loss resulting from
 9 liability imposed by law for bodily injury or death suffered by any
 10 person and for injury to or destruction of property to others arising from
 11 the ownership, maintenance, or use of a motor vehicle, or in a
 12 supplement to such a policy, the following types of coverage:

13 (1) in limits for bodily injury or death and for injury to or
 14 destruction of property not less than those set forth in IC 9-25-4-5
 15 under policy provisions approved by the commissioner of
 16 insurance, for the protection of persons insured under the policy
 17 who are legally entitled to recover damages from owners or
 18 operators of uninsured or underinsured motor vehicles because of
 19 bodily injury, sickness or disease, including death, and for the
 20 protection of persons insured under the policy who are legally
 21 entitled to recover damages from owners or operators of
 22 uninsured motor vehicles for injury to or destruction of property
 23 resulting therefrom; or

24 (2) in limits for bodily injury or death not less than those set forth
 25 in IC 9-25-4-5 under policy provisions approved by the
 26 commissioner of insurance, for the protection of persons insured
 27 under the policy provisions who are legally entitled to recover
 28 damages from owners or operators of uninsured or underinsured
 29 motor vehicles because of bodily injury, sickness or disease,
 30 including death resulting therefrom.

31 The uninsured and underinsured motorist coverages must be provided
 32 by insurers for either a single premium or for separate premiums, in
 33 limits at least equal to the limits of liability specified in the bodily
 34 injury liability provisions of an insured's policy, unless such coverages
 35 have been rejected in writing by the insured. However, underinsured
 36 motorist coverage must be made available in limits of not less than fifty
 37 thousand dollars (\$50,000). At the insurer's option, the bodily injury
 38 liability provisions of the insured's policy may be required to be equal
 39 to the insured's underinsured motorist coverage. Insurers may not sell
 40 or provide underinsured motorist coverage in an amount less than fifty
 41 thousand dollars (\$50,000). Insurers must make underinsured motorist
 42 coverage available to all existing policyholders on the date of the first

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renewal of existing policies that occurs on or after January 1, 1995, and on any policies newly issued or delivered on or after January 1, 1995. Uninsured motorist coverage or underinsured motorist coverage may be offered by an insurer in an amount exceeding the limits of liability specified in the bodily injury and property damage liability provisions of the insured's policy.

(b) Any named insured of an automobile or motor vehicle liability policy has the right, on behalf of all other named insureds and all other insureds, in writing, to:

(1) reject both the uninsured motorist coverage and the underinsured motorist coverage provided for in this section; or

(2) reject either the uninsured motorist coverage alone or the underinsured motorist coverage alone, if the insurer provides the coverage not rejected separately from the coverage rejected.

No insured may have uninsured motorist property damage liability insurance coverage under this section unless the insured also has uninsured motorist bodily injury liability insurance coverage under this section. Following rejection of either or both uninsured motorist coverage or underinsured motorist coverage, unless later requested in writing, the insurer need not offer uninsured motorist coverage or underinsured motorist coverage in or supplemental to a renewal or replacement policy issued to the same insured by the same insurer or a subsidiary or an affiliate of the originally issuing insurer. Renewals of policies issued or delivered in this state which have undergone interim policy endorsement or amendment do not constitute newly issued or delivered policies for which the insurer is required to provide the coverages described in this section.

(c) If any named insured rejects in writing the coverage described in subsection (b), the rejection of coverage applies to every other:

(1) named insured; and

(2) insured.

It is not necessary that each named insured or other insured reject the coverage described in subsection (b) in writing or sign the written rejection of coverage.

(d) This subsection applies only to a commercial vehicle policy. An insurer is required to offer only the coverage described in subsection (b) as part of a commercial vehicle policy that provides coverage for a vehicle. The coverage offered by an insurer under subsection (b) as part of a commercial vehicle policy is required to cover only a loss that results from the operation of a motor vehicle.

(e) An insurer is not required to offer coverage described in

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1 subsection (b) in connection with the issuance of a commercial
2 umbrella or excess liability policy.

3 SECTION 2. THE FOLLOWING ARE REPEALED [EFFECTIVE
4 JULY 1, 2009]: IC 27-7-5-1.5; P.L.72-2005, SECTION 2.

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 142, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to repeal a provision of the Indiana Code concerning insurance.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Corrections, Criminal and Civil Matters.

(Reference is to SB 142 as introduced.)

LONG, Chairperson

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill No. 142, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 142 as printed February 13, 2009.)

STEELE, Chairperson

Committee Vote: Yeas 8, Nays 2.

SENATE MOTION

Madam President: I move that Senate Bill 142 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

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Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 27-7-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) **As used in this section, "commercial vehicle policy" means an insurance policy that provides coverage for at least one (1) of the following:**

(1) A motor vehicle that is rated or insured as a business or commercial vehicle.

(2) A motor vehicle that is licensed by the state as a commercial vehicle.

(3) A commercial motor vehicle business, including an:

(A) individual who; or

(B) entity that;

is in the business or occupation of selling, repairing, servicing, storing, or parking motor vehicles, including a business that is a commercial garage operation, an automobile sales entity, a motor vehicle repair entity, a motor vehicle service station, or a public parking operation.

(4) A motor vehicle that is used as a public or private livery or a rental conveyance.

(5) A motor vehicle that is owned or used by a named insured that is not a natural person.

(b) Except and to the extent as provided in subsections (d) and (e), the insurer shall make available, in each automobile liability or motor vehicle liability policy of insurance which is delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state, insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person and for injury to or destruction of property to others arising from the ownership, maintenance, or use of a motor vehicle, or in a supplement to such a policy, the following types of coverage:

(1) in limits for bodily injury or death and for injury to or destruction of property not less than those set forth in IC 9-25-4-5 under policy provisions approved by the commissioner of insurance, for the protection of persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles because of bodily injury, sickness or disease, including death, and for the protection of persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured motor vehicles for injury to or destruction of property resulting therefrom; or

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(2) in limits for bodily injury or death not less than those set forth in IC 9-25-4-5 under policy provisions approved by the commissioner of insurance, for the protection of persons insured under the policy provisions who are legally entitled to recover damages from owners or operators of uninsured or underinsured motor vehicles because of bodily injury, sickness or disease, including death resulting therefrom.

The uninsured and underinsured motorist coverages must be provided by insurers for either a single premium or for separate premiums, in limits at least equal to the limits of liability specified in the bodily injury liability provisions of an insured's policy, unless such coverages have been rejected in writing by the insured. However, underinsured motorist coverage must be made available in limits of not less than fifty thousand dollars (\$50,000). At the insurer's option, the bodily injury liability provisions of the insured's policy may be required to be equal to the insured's underinsured motorist coverage. Insurers may not sell or provide underinsured motorist coverage in an amount less than fifty thousand dollars (\$50,000). Insurers must make underinsured motorist coverage available to all existing policyholders on the date of the first renewal of existing policies that occurs on or after January 1, 1995, and on any policies newly issued or delivered on or after January 1, 1995. Uninsured motorist coverage or underinsured motorist coverage may be offered by an insurer in an amount exceeding the limits of liability specified in the bodily injury and property damage liability provisions of the insured's policy.

(b) Any named insured of an automobile or motor vehicle liability policy has the right, on behalf of all other named insureds and all other insureds, in writing, to:

- (1) reject both the uninsured motorist coverage and the underinsured motorist coverage provided for in this section; or
- (2) reject either the uninsured motorist coverage alone or the underinsured motorist coverage alone, if the insurer provides the coverage not rejected separately from the coverage rejected.

No insured may have uninsured motorist property damage liability insurance coverage under this section unless the insured also has uninsured motorist bodily injury liability insurance coverage under this section. Following rejection of either or both uninsured motorist coverage or underinsured motorist coverage, unless later requested in writing, the insurer need not offer uninsured motorist coverage or underinsured motorist coverage in or supplemental to a renewal or replacement policy issued to the same insured by the same insurer or a subsidiary or an affiliate of the originally issuing insurer. Renewals

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of policies issued or delivered in this state which have undergone interim policy endorsement or amendment do not constitute newly issued or delivered policies for which the insurer is required to provide the coverages described in this section.

(c) If any named insured rejects in writing the coverage described in subsection (b), the rejection of coverage applies to every other:

- (1) named insured; and**
- (2) insured.**

It is not necessary that each named insured or other insured reject the coverage described in subsection (b) in writing or sign the written rejection of coverage.

(d) This subsection applies only to a commercial vehicle policy. An insurer is required to offer only the coverage described in subsection (b) as part of a commercial vehicle policy that provides coverage for a vehicle. The coverage offered by an insurer under subsection (b) as part of a commercial vehicle policy is required to cover only a loss that results from the operation of a motor vehicle.

(e) An insurer is not required to offer coverage described in subsection (b) in connection with the issuance of a commercial umbrella or excess liability policy."

Renumber all SECTIONS consecutively.

(Reference is to SB 142 as printed February 20, 2009.)

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